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23rd Annual Report

**STATE BOARD OF HAIL
INSURANCE****To Montana Grain
Growers****1939 BUSINESS SUMMARY**

Total risk written	\$1,062,243
Premium charge	\$ 83,157
Losses paid	\$ 42,301
Policies issued	1,195
Loss claims filed	210
Total acres insured	152,321
Average insurance per acre	\$6.61
Average acres insured per farmer	127
Number of days with hail	31
Acres reported damaged	24,987
Loss ratio	4%
Average cost of insurance	7.8%
Aver. cost per \$1000 of protection	\$78.28
Cash reserve over \$70,000, March 1, 1940.	

**PAYMENTS RECEIVED FROM THE STATE
HAIL INSURANCE FUND CANNOT BE AT-
TACHED OR GARNISHEED BUT MAY BE
ASSIGNED.**

**1939 makes the 21st successive year with
all losses paid in full.**

**It takes a year of hard work and planning to
produce a wheat crop. Hail may destroy it in
a few minutes.**



TO MONTANA WHEAT GROWERS

It is with pleasure that we submit this 23rd annual report of the work of the State hail insurance fund. It is your fund. It is managed by farmers who keep themselves familiar with your business of growing wheat. All of the adjusters are men who are, or have been, growing wheat. Your patronage and cooperation has enabled the fund to survive the recent difficult years with a good reserve.

The operation of the fund has brought about much lower rates for hail insurance along with more satisfactory conditions as to contract and adjustment of losses. You will continue to keep your hail insurance fund in good working condition if you file your application with your county assessor whenever you are in need of hail insurance.

Hail losses were moderate in 1939. Collections were good. All this resulted in an increase of over \$40,000 in the fund during the year. The state treasurer now holds more than \$70,000 in the state hail insurance fund which will assure prompt payment of 1940 losses.

As soon as your 1940 crops are insurable we hope you will make application for insurance through your county assessor. There is always a chance that hail may destroy your crops and you can eliminate your worry by carrying hail insurance.

Full Information on How to Obtain Hail Insurance Will be Found on Pages 6 and 7 of This Folder.


CASH PAYMENT FOR HAIL INSURANCE

During recent years many farmers have taken advantage of this method of buying hail insurance. There are two big reasons. A discount of 4% is allowed on all cash policies. Also the insured has full control of the expenditure of any payments made on any hail losses he may sustain on his crop.

A big saving on the cost of the hail insurance may be made by the farmers who have Production Credit or Farm Security loans. Growers who may desire hail insurance should see the managers of these agencies and provide for an additional loan to cover hail insurance.

If the rate for 1940 hail insurance is reduced at the end of the season a refund of the overpayment will be made to each insured from the state office.

Hail continues to be one of the big hazards of grain growing. All grain growers should carry a reasonable amount of hail insurance and pay cash for it, if possible.



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DETAIL STATEMENT—RISK, LEVY, LOSSES, LOSS RATIO

County	1939 Risk Written	1939 Levy	1939 Losses Paid	1939 Loss Ratio	21 Year Average Loss Ratio	Average Cost 21 Years
Big Horn	\$ 100,583.97	\$ 8,728.80	\$ 454.36	0%	9%	7%
Blaine	41,658.50	3,322.56	425.08	1	4	7
Broadwater	3,460.00	242.20	-----	0	1	7
Carbon	7,945.00	553.76	-----	0	4	8
Carter	350.00	28.00	-----	0	3	7
Cascade	112,933.00	7,961.31	256.00	0	4	8
Chouteau	68,815.67	4,794.24	961.05	1	5	7
Custer	400.00	34.56	-----	0	9	8
Daniels	51,268.00	4,075.94	2,345.00	5	6	8
Dawson	17,735.00	1,345.80	443.00	2	7	8
Fallon	6,989.18	558.17	356.53	5	4	7
Fergus	20,693.67	1,771.98	1,404.40	7	8	9
Flathead	-----	-----	-----	0	4	6
Gallatin	17,492.76	1,370.47	472.64	3	8	8
Garfield	-----	-----	-----	0	8	8
Glacier	44,996.25	3,217.07	165.00	4	2	7
Golden Valley	23,050.00	2,303.60	1,131.35	5	11	10
Hill	68,759.00	4,469.45	12,199.06	18	4	7
Jefferson	2,635.00	175.30	-----	0	2	7
Judith Basin	39,756.00	3,183.27	1,845.10	5	6	9
Lake	110.00	5.50	-----	0	0	5
Lewis & Clark	1,563.00	106.16	-----	0	3	8
Liberty	46,252.00	3,236.58	1,339.78	3	2	7
McCone	12,095.00	957.01	3,178.55	26	5	6
Madison	990.00	88.50	-----	0	5	6
Meagher	1,260.00	126.00	-----	0	12	9
Musselshell	17,405.00	1,740.50	872.54	5	15	9
Park	-----	-----	-----	0	16	9
Petroleum	3,950.00	352.80	1,436.00	32	5	8
Phillips	16,680.00	1,317.60	1,493.90	9	4	7
Pondera	35,076.00	2,521.84	-----	0	7	8
Powder River	3,367.00	303.03	-----	0	8	8
Prairie	19,823.00	1,555.04	-----	0	7	7
Ravalli	568.50	44.26	59.62	11	1	7
Richland	5,575.00	446.00	-----	0	4	8
Roosevelt	10,906.25	871.67	-----	0	4	7
Rosebud	-----	-----	-----	0	5	9
Sheridan	48,526.00	3,856.31	4,030.96	8	4	8
Stillwater	9,400.00	921.58	-----	0	11	10
Sweet Grass	-----	-----	-----	0	5	9
Teton	30,867.50	2,198.85	171.00	1	2	8
Toole	67,901.50	5,062.08	-----	0	5	8
Treasure	11,106.50	1,149.85	446.46	4	11	8
Valley	15,373.00	1,228.56	8.58	0	4	8
Wheatland	9,350.50	931.05	40.20	0	10	9
Wibaux	39,128.00	3,121.75	6,126.82	16	11	8
Yellowstone	25,448.80	2,542.46	638.75	3	8	9
	\$1,062,243.55	\$83,157.46	\$42,301.73	4%	6%	8%

20 YEAR SUMMARY

1920-1939 Inclusive

Total risk written	\$26,830,494
Tax levy	\$ 2,145,890
Number policies issued	25,571
Total acres insured	3,321,146
Average acreage per application	130
Average risk per acre	\$8.08
Losses paid	\$ 1,650,148
Loss ratio	6.15 %
Aver. cost per \$1000 of protection	\$79.98
Number losses adjusted	5,532
Operating expense ratio	11.05 %

ADMINISTRATION ACCOUNT FOR 1939

January 1—December 31 inc.

1. State office salaries and traveling expenses (Chairman, clerk hire, board members' per diem and expenses)	\$ 5,370.84
2. General office expense (printing, station- ery, supplies, postage, telephone, telegraph, equipment, insurance, employees bonds)	\$ 1,628.53
3. Hail adjusters' per diem and expenses	\$ 2,946.54
4. Advertising	\$ 251.94
5. Office rent	\$ 375.00
6. Collection expense	\$ 1,011.35
7. Car and maintenance	\$ 158.14
	\$11,742.34

HOW TO GET STATE HAIL INSURANCE

APPLY TO THE ASSESSOR OF THE COUNTY IN WHICH THE GRAIN TO BE INSURED IS GROWING

Directions for Land Owners. Owners of land not mortgaged and with taxes not delinquent more than one year may obtain hail insurance by merely filling out an application and filing it with the assessor. He has instructions to receive all such applications and to make the charge for them against the land only. The crop lien provision in the application is not to be used and the application is not to be filed with the county clerk and recorder.

Directions for Owners of Mortgaged Land or Land with Not More Than One Year's Delinquent Taxes. If the land taxes are not delinquent more than one year, or if the land is not under foreclosure, the applicant is not required to furnish waivers for crop mortgages of record when hail insurance is issued. However, the application for hail insurance contains a crop lien and is to be filed with the county clerk.

Directions for Owners of Land With More Than One Year of Delinquent Tax. These land owners must insure on the basis of tenants as shown in the following paragraph. Their hail insurance will be placed on the personal rolls and will not be assessed to the real estate.

Directions for Tenants. Any tenant may secure State hail insurance by furnishing a crop lien subject only to prior liens for seed. The crop lien is made a part of the application. If prior liens are a bar to insuring, The Tenant must secure a waiver from the mortgagee ranking first after the seed lien and must file it with his application for hail insurance. The waiver must be for the maximum charge for the hail insurance. Tenants may also secure hail insurance by having the owner of the land sign consent for the hail tax to go against the land. Mortgages for seed require no waivers.

4% Discount for Cash Payment for Hail Insurance. When any grain grower pays cash for his hail insurance he will be charged the regular maximum charge for his county, less 4%. If a reduction is made later in the rate for the year he will be refunded the proper amount from the state office at Helena. These applications will not be filed with the County Clerk and Recorder after approval by the assessor.

Waivers May Delay Hail Insurance. Grain growers should start early to secure waivers when they know they will be required before hail insurance may be obtained. Failure to do so may result in serious loss by hail during the time the waiver is sought. If any grower has an agreement with the mortgagee to carry hail insurance he should arrange a definite agreement on how the proceeds of any hail loss may be divided.

When to Insure. Experience shows that grain crops should not be insured until they start stemming or reach the height of about 6 inches, and then growing conditions should be favorable. The same care should be taken when insuring special crops. Hail insurance is needed now as badly as in any former year but care should be taken to use it more as a matter of protection than speculation.

How Much Insurance Per Acre. For 1940 farmers may insure grain crops for not more than \$10 an acre. During recent years grain prices have been unusually low and it has been advisable to reduce the amount of insurance per acre. We do not like to make predictions on prices but due to the unusually poor condition of much of the winter wheat and war in Europe and Asia we believe the farmers will do well by increasing the amount of hail insurance per acre for 1940. During 1939 nearly one-half the insured carried only \$5.00 an acre.

Hail Insurance on Special Crops. Not more than the amount shown after each of the following crops will be written per acre for 1940:

Beans, irrigated	\$20	Sweet Clover Seed	\$10
Beans, non-irrigated	\$ 7	Alfalfa Seed	\$12
Peas	\$20	Mustard and Corn	\$12
Potatoes	\$20	Sugar Beets	\$20

Reduced Rates in Case of Crop Failure. When any insured crop is badly damaged or destroyed by other means than hail, the hail insurance may be terminated and the cost of the insurance will be reduced as shown by paragraphs 17 and 18 on the application and policy. Application for reduction must be made to the state office at Helena.

Adjustment of Losses. When any grower is sure his insured grain has suffered loss exceeding 5% he should promptly report his loss to the state office at Helena. An experienced adjuster will examine the grain within about a week. The adjusters are farmers who understand the effect of hail on grain and will give each claim very careful consideration. Haste in reporting losses at harvest time is urged.

Payment of Losses. The hail insurance law provides that within 40 days of the occurrence of the loss, payment shall be made as follows: One-half the amount of the adjustment, less the amount owed for hail insurance, shall then be sent the insured. The final payment will be made as soon as practical after the close of the hail season. In recent years the first payment has been made in August and final payments mostly in September or in October.

Montana State Hail Insurance is a Mutual Fund. All of the money paid into it by the grain growers is used for the payment of hail losses and operating expenses. Other systems of handling hail insurance usually return about 60 % of the money to the farmers in the form of loss payments. During the last 21 years close to 90 % of all money paid into the State Fund has been used for the purpose of payment on hail losses. All losses have been fully paid for the last 21 years.

Prompt Payment of 1940 Losses is Assured by the cash on hand, and collections from current 1940 policies and from delinquent sources. On March 1st the state treasurer held about \$70,000 in the Hail Insurance Fund.

MEMBERS OF STATE BOARD OF HAIL INSURANCE

E. K. Bowman, Chairman, Helena

P. J. Anderson, member, Conrad

B. J. Anderson, member, Circle

J. T. Kelly, Secretary, Commissioner of Agriculture

Ray N. Shannon, member, State Treasurer

It is the duty of county assessors to furnish grain growers with full information regarding State hail insurance. This folder is issued for the purpose of assisting them in furnishing it.

HAIL INSURANCE IS A NECESSARY COST OF RAISING GRAIN

Issued by

STATE BOARD OF HAIL INSURANCE

Helena, Montana